

RECORDATION NO. 26416 FILED

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JUN 23 '06 12:03 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

June 23, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Railcar Lease, dated as of June 16, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Mitsui Rail Capital, LLC
5 Old Orchard Road, Suite 505
Skokie, IL 60077

Lessee: Headwaters Resources, Inc.
10653 South River Front Parkway, Suite 300
South Jordan, UT 84095

Mr. Vernon A. Williams
June 23, 2006
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A description of the railroad equipment covered by the enclosed document is:

20 covered hopper railcars: MBKX 101015 – MBKX 101034.

A short summary of the document to appear in the index is:

Memorandum of Railcar Lease.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Edward M. Luria". The signature is fluid and cursive, with the first name "Edward" being the most prominent.

Edward M. Luria

EML/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF RAILCAR LEASE
BETWEEN
MITSUI RAIL CAPITAL, LLC
("LESSOR")**

AND

**HEADWATERS RESOURCES, INC.
("LESSEE")**

JUNE 16, 2006

Memorandum of Railcar Lease made and entered into as of June 16, 2006 by and between Mitsui Rail Capital, LLC, a Delaware limited liability company, ("**Lessor**") and Headwaters Resources, Inc., a Utah corporation ("**Lessee**").

WITNESSETH:

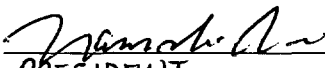
1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor twenty (20) Trinity built covered hopper railcars having capacity of approximately 3,281 cubic feet and 286,000 GWR bearing marks and numbers as follows:

MBKX 101015-101034 (both inclusive)

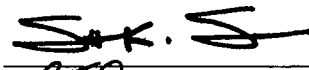
2. The Railcar Lease shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Railcar Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: Mitsui Rail Capital, LLC

By: 
Title: PRESIDENT
Date: 6/21/06

Lessee: HEADWATERS RESOURCES, INC.

By: 
Title: CEO
Date: 6/16/06

STATE OF ILLINOIS

COUNTY OF COOK

On this 21ST day of June, 2006, before me personally appeared YASUSHI IMAI, to me personally known, who being by me duly sworn, says that he is the PRESIDENT of Mitsui Rail Capital, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Tondalaya Richardson
NOTARY PUBLIC

My commission expires: 11-1-2009

STATE OF UTAH

COUNTY OF SALT LAKE

On this 16th day of June, 2006, before me personally appeared Scott K. Sorensen, to me personally known, who being by me duly sworn, says that he is the CFO of HEADWATERS RESOURCES, INC. that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Scott K. Sorensen
NOTARY PUBLIC

My commission expires

